

February 13, 2005
The President's Advisory Panel
On Federal Tax Reform
1440 New York Avenue NW
Suite 2100
Washington, DC 20220

PRESIDENT'S ADVISORY
BOARD
ON FEDERAL TAX REFORM

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Dear Sirs,

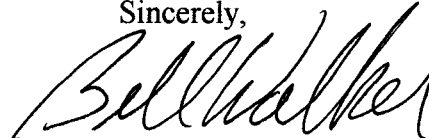
Upon hearing of President Bush's announcement that he had created your panel to recommend changes to our federal income tax system, I expected to find that your panel would be looking at all aspects of the federal income tax system. Thus far I am disappointed as early indications are your panel is merely providing lip service to the income tax issue with no real aim of reform.

For example, I find no suggestion or agenda to deal with the very real prospect of the termination of the entire federal income tax program by amendment to the Constitution. As I'm sure you are aware, the Constitution may be amended either by a proposal from Congress or by a convention system. In sum, all the states have applied for a convention to propose amendments to Congress, which has so far ignored these 567 applications. The most applied for amendment from 39 states is the repeal of federal income tax, the 16th Amendment. The total number of applying states is one more than is required for ratification of the proposed amendment. As I'm sure you also aware, a convention call is peremptory.

Currently there is before the 9th Circuit Court of Appeals a federal lawsuit, Walker v. Members of Congress et al. 05-35023 in which the court is being presented with the question of whether the Congress can ignore or veto the language of the Constitution and refuse to call a convention to propose amendments despite the overwhelming number of applications. I feel confident the courts will ultimately determine Congress does not have the power to veto the Constitution. Therefore the repeal of federal income tax becomes a viable possibility.

As such, I would suggest the panel investigate and recommend to the President actions that should be taken should income tax be repealed and therefore cease to exist entirely. Such questions should obviously include: what tax, if any should replace income tax? What federal budget changes will be required without the funds from income tax available? Should there be a tax to replace income tax as most citizens will benefit by at a one-third increase in their income and most likely would not welcome the reintroduction of another tax.

Sincerely,



Bill Walker
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